



Montana Environmental Trust Group, LLC
Trustee of the Montana Environmental Custodial Trust
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July 16, 2013

Betsy Burns
RCRA Project Officer
EPA Region VIII
Montana Office
10 West 15th St., Suite 3200
Helena, MT 59626

RE: Consent Decree Civil Action No. CV 98-3-H-CCL East Helena Site Work Performed During May 2012

Dear Ms. Burns:

The Montana Environmental Trust Group, LLC, Trustee of the Montana Environmental Custodial Trust (the Custodial Trust), hereby submits the attached monthly progress report for the month of May 2012 to the US Environmental Protection Agency (EPA). The enclosed report was prepared pursuant to the requirements of Section 86 and other applicable provisions of the First Modification of the Consent Decree (No. CV 98-3-H-CCL) entered on US Federal District Court (Montana) in 2012.

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**Montana Environmental Custodial Trust Monthly Progress Report for the East Helena Site
May 2012**

#	Topics & Subtasks	Date(s)	Major Activities
I. RCRA Corrective Action			
A. Investigations, Studies, Analyses and Data Collection			
1.	Phase II RFI	5/02/12	EPA responded to a request from WQPD regarding the draft Phase II RFI report.
2.	FSAP	5/02/12	The CT proposed meeting with the WQPD to review the 2012 FSAP (in conjunction with a review of the GW model work plan).
		5/10-11/12	Hydrometrics collected: monitoring well water levels; PPC stream gage levels; surface water levels in irrigation ditches; surface water elevation survey data in PPC, Helena Sand & Gravel ponds, UL and LL; and water quality samples from eight selenium plume monitoring wells.
		5/22/12	EPA provided feedback to the CT on the 2012 FSAP.
3.	Risk Assessment	During Period	The CT issued multiple invitations to EPA, USFWS, Gradient and CH2M Hill to coordinate and schedule a meeting/conference call to discuss scope and requirements for perimeter soil sampling to address risk to migratory birds.
		During Period	The CT continued efforts coordinate and schedule a meeting/conference call with EPA, USFWS, Gradient and CH2M Hill to discuss scope and requirements for perimeter soil sampling to address risk to migratory birds.
4.	Upper Lake Aquifer Test	5/01/12	EH personnel inspected the condition and integrity of the UL diversion structure and smelter dam.
		5/07/12	EH personnel inspected the condition and integrity of the UL diversion structure and smelter dam.
		5/07/12	In order to continue running the UL aquifer test, the CT met with Burnham to discuss options for providing irrigation water to the Burnham alfalfa fields (in lieu of using Wilson Ditch).
		5/08/12	The CT met with Burnham to determine the logistics and feasibility of pumping water from the Simac Ditch to provide irrigation water to the Burnham Ranch.
		5/08/12	In connection with the UL pump tests, EH personnel removed debris from the suction screen on the UL electric pump.
		5/10/12	EPA authorized the CT to proceed with installation of a pump and piping to provide irrigation water from the Simac Ditch to the Burnham Ranch.
		5/10/12	EH personnel installed a culvert pipe and riprap required to deliver irrigation water from the Simac Ditch to the Burnham Ranch.
		5/11/12	EH personnel installed a rented irrigation pump and piping to supply irrigation water to the Burnham Ranch.
		5/15/12	EH personnel inspected the condition and integrity of the UL diversion structure and smelter dam.
		5/23/12	EH personnel serviced pumps providing irrigation water to Burnham Ranch.
		5/24/12	EH personnel inspected the condition and integrity of the UL diversion structure and smelter dam.
		5/29/12 & 5/31/12	EH personnel inspected the condition and integrity of the UL diversion structure and smelter dam.
		During	EH personnel continued UL pump tests to evaluate turbidity and drawdown impacts

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		During Period	The CT continued daily: collection of water level data in UL, LL, and Prickly Pear Creek (PPC) (upstream and downstream of the dam); and turbidity monitoring (upstream of the dam, downstream of the dam and at locations in East Helena (near the Main Street Bridge and downstream).
		During Period	In order to extend operation of UL aquifer test, the CT reviewed and identified options for providing irrigation water to Burnham Ranch directly from PPC (to avoid filling UL and Wilson Ditch).
		During Period	EH personnel performed routine maintenance on electric pump used in the UL pump test, including cleaning a plugged suction screen and re-installing the flow meter.
		During Period	CT and Hydrometrics evaluated options for reducing costs to provide irrigation water to Burnham Ranch.
5.	GW Model	4/30/12	A memorandum summarizing the 4/25/12 meeting/conference call (attended by AMEC, Hydrometrics, MDEQ and MBMG) was distributed to the beneficiaries. The MW model work plan and water balance analysis were reviewed at the meeting.
		5/02/12	The CT provided a copy of the GW model work plan to the WQPD for review and comment.
		5/09/12	AMEC distributed a progress update on development of the GW flow model to the CT and the beneficiaries.
		5/23/12	AMEC and CH2M Hill met to review the numeric groundwater model.
		5/24/12	AMEC and the CT reviewed progress and issues related to groundwater data quality for the numeric groundwater model.
		5/28/12	AMEC distributed presentation materials and meeting minutes from the 5/23/12 GW modeling review meeting.
		5/30/12	The CT and AMEC reviewed the status of gw modeling activities and meeting plans with technical team and beneficiaries.
		5/31/12	The Lewis & Clark County Water Quality Protection District (WQPD) advised the CT of concerns regarding attendance of elected public officials at the 6/07/12 technical meeting to review the gw model with WQPD personnel. Due to concerns about notice and other open meeting law requirements, the WQPD requested that the meeting be canceled.
		During Period	Work continued on setting up the numeric GW model layers with focus on interpolating and extrapolating from the ash/clay layers and populating boundary conditions—river and lake boundaries (River package); underflow from south and Spokane bench (GHB package); recharge from background and irrigation (Recharge package); irrigation drains (Drain package); irrigation supply (Well Package); and slurry walls (HFB Package).
		During Period	AMEC continued work on development and initial calibration of the numeric GW flow model, including: setting up model to run with MODFLOW NWT package; running model and producing initial simulated potentiometric surface; reviewing initial calibration statistics; adjusting model layers; and combining parameter estimation software (PEST) with the NWT package.
		During	AMEC continued work on development of the numeric GW flow model, including review of model layers,

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		Period	calibration, boundary layers, design and model runs.
6.	Database Management	5/09/12	MDEQ notified the CT that its license to access the Geotech database had expired.
		During Period	Field and laboratory data from April 2012 water sampling event (monitoring wells, private wells and surface water samples) was evaluated and integrated into the EH database.
		During Period	Linda Tangen integrated data from April 2012 sampling event into the EH database.
7.	Project Management	During Period	No significant project management activities occurred during the reporting period.
B. Interim Measures			
1.	SPHC IMs	5/09/12	The CT and EPA re-scheduled the 5/10/12 meeting with the Montana Department of Transportation (MDT) to review IM plans to be implemented in areas subject to MDT jurisdiction (Highway 12 and 518).
		5/10/12	The CT provided comments to CH2M Hill on the draft utility relocation plan.
		5/15/12	The CT and CH2M Hill reviewed the CT's request for follow-up on water and sewer line relocation plans with the East Helena City Council at its regularly scheduled meeting.
		5/21/12	The CH2M Hill technical team met with FEMA (Region VIII) and their HEC-RAS contractor in Denver to review requirements and schedule for CLOMR approval.
		5/25/12	The CT submitted a letter to MDEQ seeking clarification that an Opencut Mining Permit would not be required for excavation of the PPC Temporary Bypass Channel.
		5/25/12	Pioneer Technical Services and the CT reviewed the scope of work for PPC realignment design.
		5/29/12	CH2M Hill provided the CT with an update on their review of the DJ&A survey information and analysis of easements and rights-of-way for utilities on east bench.
		5/31/12	The CT and Garlington reviewed issues and recommendations for follow-up with the City of East Helena on the need to abandon South Montana Ave in order to realign PPC.
		6/01/12	The CT and the Mayor of East Helena discussed the City's preferred route for relocation of the EH water line required for construction of the realigned PPC. The CT and the City agreed to schedule a meeting with the CT's technical team and the City's consultant to resolve water line reconnection requirements.
		During Period	Permitting activities for the PPC temporary bypass channel continued during this period, including work on: <ul style="list-style-type: none"> • The Joint Application #1 (temporary bypass channel & removals); • Floodplain permits and CLOMR application; and • DNRC Dam Safety Act requirements.
		During Period	Work on design of the PPC temporary bypass continued during this period, including development of engineering plans and design modeling activities (earthwork, flow channel hydraulics, HEC-RAS modeling, etc.).
		During Period	Design and HEC-RAS modeling activities for the PPC temporary bypass continued during this period.

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		During Period	The technical team continued development of Joint Permit Application #1, which is slated for submittal on 8/9/12. Plans were finalized for a coordination and review meeting with FEMA (Region VIII) and their HEC-RAS contractor in Denver.
		During Period	CH2M Hill continued work on east tertiary bench utility relocations.
		During Period	The CT and CH2M Hill reviewed engineering and construction issues related to relocation of the City of East Helena's water line.
		During Period	The CT and CH2M Hill agreed to task Hydrometrics with lead in MPDES permit activities required to support SPHC IMs.
		During Period	SPHC IM permitting activities by the CH2M HILL-led team included distribution of a summary of the 5/21/12 FEMA meeting and continued flow modeling to support preparation of JA #1.
		During Period	CH2M Hill and MMI continued detailed engineering design of the PPC Temporary Bypass channel, including: <ul style="list-style-type: none"> • Development of contract drawings and specifications; • Refinement of flow channel geometrics; • HEC-RAS modeling; • Digital terrain modeling for CLOMR; • Temporary bridge siting analyses; • East tertiary bench stockpile plans; and • Master schedule updates. • Initial flow modeling of bypass geometry; • Engineering of bypass tie-in locations; • Initial analysis of smelter dam for PPC crossing foundation; and • Follow-up with CT and NW Energy on east tertiary bench utility relocations, including engineering and construction for relocation of the City of East Helena's water line.
2.	ET Cover System IMs	5/24/12	The CT and CH2M Hill reviewed issues and scope of work for utility easements/relocation and Phase I demolition engineering.
		5/29/12	CH2M Hill and MMI provided update on their analysis of easements and rights-of-way for utilities on smelter property.
		5/30/12	CH2M Hill submitted the draft demolition sequencing plan to the CT for review and comment.
		5/31/12	The CT and Garlington reviewed issues and options for addressing existing and future easements required to relocate utilities on the smelter property.
		During Period	Activities related to ET Cover System design included: <ul style="list-style-type: none"> • Sizing analysis of borrow and processing areas (assuming development in east bench area); • Review of potential east bench borrow materials (types, gradations, and uses) and analysis of processing requirements (screening/sorting); and • Initial preparation of concept plan for processing, staging and stockpiling east bench material.

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		During Period	CH2M Hill continued work on the final demolition sequencing concept plans and related activities in anticipation of issuing a notice to proceed with Phase I demolition activities on 10/1/12.
		During Period	The CT approved a request from Hydrometrics to extend the date for completion of the ET Cover System modeling effort by three additional weeks.
		During Period	CH2M Hill-led team activities related to ET Cover System IMs included: <ul style="list-style-type: none"> • Discussions with NW Energy regarding requirements for relocation of transmission line; • Analysis and mapping of DJ&A utility easements; and • Incorporation of engineering design into the demolition phase 1 scope of work.
		During Period	Hydrometrics continued modeling ET Cover System.
		During Period	CH2M Hill pursued further discussions with NW Energy regarding engineering design requirements for relocation of transmission line and reviewed their proposed scope of work for demolition phase I contract bid documents and phase II engineering with the CT.
3.	Source Removal IMs	5/18/12	The CT and CH2MHill reviewed a draft technical memorandum to EPA outlining options for CAMU bottom liner.
		5/23/12	EPA, CH2M Hill and the CT reviewed design and performance requirements for CAMU #3.
		During Period	CH2M Hill continued work on design of the on-Site CAMU (soil repository) during this period, including: engineering plans and calculations and further analysis of CAMU design criteria (location, size, liner system, regulatory requirements, etc.).
		During Period	CH2M Hill continued work on design of the on-Site CAMU (soil repository) during this period.
		During Period	For CAMU #3 conceptual design, CH2M Hill began assembling digital terrain models and developing sizing criteria based on estimated Tito Park excavation quantities.
		During Period	CH2M HILL continued preparing and revising technical memorandum on CAMU liner options for submittal to EPA.
4.	IM Work Plans	5/07/12	EPA, MDEQ, MDOJ and USFWS provided written comments to the Custodial Trust on the draft 2012 IM WP.
		5/10/12	The CT and CH2M Hill discussed strategies and plans for revising the 2012 IM WP to incorporate beneficiary comments.
		5/15/12	EPA, CH2M Hill and the Custodial Trust reviewed the revised draft 2012 IMWP. The CT submitted comments on the draft 2012 IMWP to EPA for follow-up.
		5/22/12	CH2M Hill issued a revised draft of the 2012 IMWP.
		5/23/12	EPA, CH2M Hill and the Custodial Trust reviewed revisions to the 2012 IMWP.
		5/23/12	EPA issued its response to comments from the State of Montana on the draft 2012 IMWP.
		5/24/12	The CT provided comments to CH2M Hill on the revised draft 2012 IMWP.
		5/25/12	EPA issued comments to the CT and CH2M Hill on the revised draft 2012 IMWP.
		5/29/12	The CT and CH2M Hill reviewed revisions to the draft 2012 IMWP.

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		5/31/12	CH2M Hill and the CT reviewed outstanding issues, status and schedule for issuance of revised 2012 IMWP.
		During Period	Initial planning and scoping activities for development of the 2013 IM WP continued during this period. Further work on the 2012 IM WP was on-hold pending receipt of comments from the beneficiaries.
		During Period	CH2M Hill began revising the 2012 IM WP, with the goal of submitting a revised, final IM WP to EPA on 5/31/12.
		During Period	CH2M Hill continued revising and updating the draft 2012 IM WP to incorporate comments and direction from EPA.
5.	RCRA Team Support	During Period	No significant RCRA team support activities occurred during the reporting period.
6.	General (Programmatic) IMs	5/03/12	The CT and USDOJ discussed preliminary feedback from EPA/USDOJ on proposed insurance coverage amounts and potential commercial terms under a general construction contract with CH2M Hill.
		5/09/12	The CT, CH2M Hill and SP4C reviewed CH2M Hill's proposed staffing plan for IM design and construction activities.
		5/09/12	CH2M Hill submitted information requested by the CT on general & administrative costs (direct and indirect) and a comparison of a "fixed-price not-to-exceed" vs. "fixed fee/target cost" contract structure for a potential general construction contract.
		5/10/12	The CT and CH2M Hill discussed project management staffing and next steps for resolution of the terms and structure of a general construction contract.
		5/10 & 5/11/12	The CT and SP4C reviewed options, concerns, data requirements and costs associated with various price and compensation options for a general construction contract with CH2M Hill.
		5/15/12	The CT submitted a request to CH2M Hill for detailed cost data and supporting information to facilitate the CT's analysis of commercial terms for the proposed construction management contract with CH2M Hill.
		5/16/12	The CT, CH2M Hill and SP4C reviewed outstanding issues, including the CT's request for data and information to analyze CH2M Hill's proposed commercial terms for a potential construction management contract.
		5/30/12	The CT and SP4C reviewed various construction management contract delivery options and costs.
		5/30/12	CH2M Hill and the CT discussed outstanding project and contract management issues and concerns.
		5/31/12	CH2M Hill and the CT participated in the weekly call to review progress, plans and issues related to EH IMs.
		During Period	In connection with IM planning and negotiations related to a potential general construction contract with CH2M Hill, the CT and CH2M Hill reviewed and discussed CH2M Hill staffing, resource and proposed organization plans for IM design and construction activities.
		During Period	The CT, CH2M Hill and SP4C followed up on the CT's request for data and information to analyze CH2M Hill's proposed commercial terms for a potential construction management contract.
		During	The CT and SP4C reviewed options, concerns, data requirements and costs associated with various price

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		Period	and compensation options for a general construction contract with CH2M Hill.
7.	Project Management	During Period	No significant project management activities occurred during the reporting period.
8.	Permitting	During Period	No significant permitting activities occurred during the reporting period.
C.	CMS		
A.		During Period	No significant activities related to the CMS WP were performed during this reporting period.
II. Beneficiary/Stakeholder Communications			
A.	Beneficiary Communications	5/03/12	EH weekly technical meeting with beneficiaries.
		5/10/12	EPA, USDOJ, MDEQ, MDOJ and the CT held a conference call to discuss EH water rights and other EH matters.
		5/10/12	EPA and the CT met to review various EH activities (IM WP, EH water rights, etc.).
		5/10/12	The CT discussed project schedule issues with MDEQ and MDOJ.
		5/17/12	EPA, USDOJ, MDEQ, MDOJ and the CT participated in the monthly EH beneficiaries meeting.
		5/24/12	EPA and the CT met to review EH activities and issues.
		During Period	EPA and the CT held a number of discussions about EH activities and issues.
B.	Stakeholder Communications	5/01/12	EPA attended regularly scheduled East Helena City Council meeting to update CC on EH activities and plans.
		5/03/12	The CT finalized and submitted its letter to US Senator Jon Tester in response to the Senator's 4/26/12 correspondence regarding public involvement sand deposition in PPC.
		5/10/12	The CT followed-up with CDMSmith community involvement specialists to discuss possible assistance with EH community relations.
		5/18/12	The CT provided CDMSmith with a detailed briefing on CT activities and requirements for development of a public involvement plan and community relations support for the EH project.
		5/22/12	The CT provided documents and reports to CDMSmith to be used in developing a proposal to provide community involvement support to the CT
		5/24/12	CDMSmith submitted a cost and technical proposal to provide community relations and public involvement support to the CT.
		During Period	CT continued revising the website and uploaded documents and materials from recent stakeholder and public meetings.
		During Period	The CT and key stakeholders reviewed options for participation in the 6/20/12 Public Meeting & Open House.
		During Period	The CT consulted with EPA, the City of East Helena and Lewis & Clark County on plans for the 6/20/12 public meeting and open house to review the 2012 IMWP. The CT continued preparing materials and making arrangements for 6/20/12 public meeting.

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		During Period	The CT and key stakeholders reviewed options and plans for participation in the 6/20/12 Public Meeting & Open House.
		During Period	The CT and key stakeholders reviewed options and plans for participation in the 6/20/12 Public Meeting & Open House. EH personnel began preparing and distributing materials for the public meeting and open house.
III Site Management & Operations			
A.	Site-Wide Health & Safety/Regulatory Compliance	5/03/12	The CT arranged for the PLC Programmer to complete 40-hour hazwoper training required to work on the HDS plant.
		5/03/12	The CT provided written comments on the Hydrometrics' draft EAP for high flows and potential smelter dam failure.
		5/07/12	EH personnel shut down inflow to CAMU #2 leachate collection pipes to begin pumping leachate.
		5/07/12	EH personnel charged water truck batteries and reconnected the spray hose for use in pumping CAMU leachate.
		5/08—09/12	EH personnel pumped CAMU #2 leachate.
		5/14/12	The CT notified Metallica that Smith Contracting personnel were not authorized to retrieve equipment from site without proper health & safety training.
		5/14/12	The CT provided final comments on the draft site-wide HASP to the EH Health & Safety Coordinator.
		5/15—31/12	EH personnel pumped leachate from CAMU #1 & #2.
		5/18/12	The CT and Hydrometrics inspected drainage around the CAMU #1 cell and universal waste inventory/ASDs for wastes placed in the shed near Lower Lake.
		5/21/12	EH personnel provided comments on the draft master site HASP.
		5/22/12	EH personnel completed weekly inspections of health and safety systems, CAMU #1 and #2 liners, temporary liners, natural gas hoses and hazardous waste roll-offs.
		5/23/12	The CT advised EPA of CAMU #2 leachate collection volumes, issues and options.
		5/24/12	EPA responded to the CT's notice regarding CAMU #2 leachate collection issues and inspected the CAMU #2 with the CT's regulatory compliance coordinator.
		5/24/12	EH personnel repaired the temporary liner near the Ore Storage building.
		5/31/12	The CT provided written comments on the draft emergency action plan (EAP) for smelter dam to Hydrometrics.
		During Period	The CT and Hydrometrics worked on the emergency action plan for Smelter Dam and plans for monitoring slag pile stability.
		During Period	The CT and Hydrometrics continued finalizing an updated HASP for upcoming site activities.
		During Period	The CT continued internal review and comment on the Site-wide HASP.

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		During Period	EH personnel completed weekly inspections of health and safety systems, CAMU #1 and #2 liners, temporary liners, natural gas hoses and hazardous waste roll-offs.
B.	Site Security	5/06/12	EH personnel responded to a security alarm at former Asarco Manager's house, which appeared to be a false alarm with no evidence of unauthorized access.
C.	Plant Operations	5/03/12	The CT and Chemet finalized the bill of sale and payment from Chemet for rotary melter.
		5/04/12	EH personnel installed a crack meter to monitor movement of an overhanging crack in the Slag Pile (observed during the June 2011 50-year flood).
		5/07/12	EH personnel completed an inventory of all on-Site mobile equipment filters, fuel and hot air filters.
		5/08/12	EH personnel updated the mobile equipment oil filter listing required for semi-annual servicing of equipment.
		5/10/12	The CT renewed Site equipment (forklift and loader) special mobile plates for use in areas off the smelter property.
		5/16/12	EH personnel inspected the Manager's House roof and sprayed to eliminate wasp nests in the structure.
		5/23/12	EH personnel began servicing plant vehicles.
		5/29/12	EH personnel began servicing plant mobile equipment, including removal of the driveline on the IT-18 loader for repair.
		5/29/12 & 5/31/12	EH personnel cleared debris from smelter dam and UL diversion structure as part of routine plant maintenance.
D.	Stormwater Management	5/08/12	EH personnel stabilized the HDS water treatment plant sludge for disposal.
		5/08/12	The CT submitted the monthly DMRs for the HDS water treatment plant to MDEQ in compliance with MPDES permit requirements.
		5/15/12	EH personnel stabilized HDS plant sludge for disposal.
		5/16—17/12	EH personnel changed mixer and pump oils in the HDS Water Treatment Plant.
		5/21/12	EH personnel delivered HDS sludge samples to Energy Lab for TCLP analysis.
		5/22/12	EH personnel changed mixer and pump oils in the HDS Water Treatment Plant.
		5/29/12	EH personnel pumped the Thornock secondary containment system to prepare to begin operating HDS water treatment plant.
E.	Documents & Records	5/05/12	The CT reviewed and commented on the proposed material inventory and purchase plan for segregating and storing documents and records at the EH site.
		5/16/12	EH personnel began assembling equipment and supplies to prepare for long-term storage of EH documents and records.
		5/25/12	CT personnel participated in an on-line meeting to review an electronic document management (Alfresco) system for EH.
		5/30/12	The CT provided EH personnel with comments on the revised budget for segregation/management of EH documents.

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		5/31/12	CT personnel continued assembling materials, equipment and supplies to prepare for documents segregation and long-term storage.
		During Period	EH personnel prepared revisions to the scope and estimated costs to segregate, palletize and store documents and records.
F.	Water Rights	5/01/12	EPA and CT met with representatives from Eastgate Water & Sewer District to confirm that the realignment of PPC would not adversely impact their water rights to ditch located east of PPC.
		5/09/12	EH personnel staged and fueled man-lift to be used for inspecting and repairing the roof on the former Manager's House.
		5/10/12	The CT reviewed EH water rights issues and recommendations with EPA, USDOJ, MDEQ and MDOJ.
		5/10/12	The CT reviewed EH water rights issues and recommendations with EPA, USDOJ, MDEQ and MDOJ.
		5/10/12	The CT and its attorneys reviewed options and requirement to prepare a scope of work and cost estimates for a CT budget and work plan submittal to address EH water rights.
		5/11/12	EPA instructed the CT to prepare a scope and budget for preserving and protecting EH water rights (to be paid from the CT Administrative Account).
		5/21/12	Garlington submitted a detailed work plan and budget for protecting and preserving EH water rights.
		5/22/12	The CT and Garlington reviewed the EH water rights work plan and budget.
		5/26/12	The CT submitted a request for beneficiary approval to increase the 2012 Administrative Account budget to fund activities related to the preservation and protection of EH water rights.
		5/29/12	The CT responded to questions from USDOJ regarding the proposed scope/budget for addressing EH water rights.
		During Period	The CT and Burnham continued discussions about long-term options for Burnham's irrigation water needs following abandonment of Wilson Ditch.
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		During Period	The CT and Burnham continued discussions about long-term options for Burnham's irrigation water needs following abandonment of Wilson Ditch.
		During Period	The CT and Burnham continued discussions about long-term options for Burnham's irrigation water needs following abandonment of Wilson Ditch.
		During Period	The CT followed up with Burnham on plans for a meeting to discuss long-term options for Burnham's irrigation water needs following abandonment of Wilson Ditch.
G.	Other Property Management	5/15/12	EH personnel completed staging and fueling man-lift to be used for inspecting and repairing the roof on the former Manager's House.
		5/18/12	The CT submitted a request for beneficiary approval to increase the Administrative Account 2012 Budget to fund repairs to the roof on the former Asarco Manager's house.
H.	Other Site Operations	During Period	No significant other site operations activities occurred during this reporting period.

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IV Property Use/Development			
A. Agricultural Leases		5/03/12	The EH Rodeo Association and the CT executed the use agreement for the 2012 rodeo activities.
		5/08/12	The City of EH attorney provided comments on the draft use and occupancy agreement for temporarily storing the Prickly Pear Junction House on CT property.
		5/11/12	The CT notified EH Rodeo Association of their need an alternate source of water for livestock and dust control due to the lack of available water from Wilson Ditch to support 2012 EH Rodeo activities.
		5/15/12	EH personnel relocated the deep till plow from the area near the Manlove Cabin in order to prepare area for temporary storage of Prickly Pear Junction house.
		5/17/12	The CT executed the use and occupancy agreement with the City of East Helena to temporarily store the Prickly Pear Junction house on CT property. The agreement was submitted to EPA for approval.
		5/18/12	EPA approved the use and occupancy agreement with the City of East Helena for temporary storage of the Prickly Pear Junction house near the Manlove Cabin.
		5/29/12	The CT responded to questions from the County Historic Preservation Officer regarding the release and waiver of liability appended to the Use & Occupancy Agreement for temporary storage of the Prickly Pear Junction House.
		5/10/12	EH personnel prepared a synopsis of information related to agricultural leases. The CT finalized plans for resolving growing and grazing leases, including follow-up with Burnham on grazing East Fields and the City of EH on compliance with City ordinances.
		5/17/12	The CT submitted a letter to the City of East Helena confirming CT plans to continue (Asarco's) past practice of grazing livestock on agricultural land to manage fire risk and weed control and requesting clarification that such grazing practices would not violate EH City Code prohibition on grazing livestock.
		5/17/12	CT personnel met with Gary Burnham to discuss provisions for grazing the East Fields, including the area near the former Asarco Manager's house.
		5/29/12	Burnham began repairing fences and water lines to begin in grazing cattle in the East Fields and the area near the former Asarco Manager's house.
		During Period	The CT began revising grazing provisions (attached to well access agreement with Burnham Ranch) to address CT concerns about fire risk and noxious weed control.
B. Community Land Uses		During Period	No significant community land use activities occurred during this reporting period.
C. Redevelopment & Property Sale		5/04/12	The CT submitted to EPA the CTA/MXD proposal to evaluate the feasibility of integrating an outdoor amphitheater into the Phase I ET Cover System and the CT's recommendation for proceeding with conceptual design studies and preliminary risk assessment.
		5/05/12	The CT advised Chemet of the decision to purchase a new modular structure for CT administrative offices and ability to provide excess office space for up to two Chemet personnel.
		5/07/12	The EH School District requested CT permission to collect surface soil samples on Dartman Ranch property in connection with their proposal to purchase up to 75 acres of the Dartman field.
		5/09/12	The CT and Chemet reviewed the status and resolution of multiple issues related to the proposed sale of CT property, including: the need for an oxygen pad lease/license agreement; the status of negotiations

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		with AL; Chemet office requirements; and plans to resolve purchase price.
5/10/12		The CT finalized its appraisal analysis and submitted a proposed purchase price to Chemet for the abutting and expansion parcels.
5/11/12		The CT prepared a draft license agreement to allow Chemet to construct and install two oxygen tanks on CT property pending transfer of property to Chemet in connection with the proposed land sale.
5/15/12		Due to concerns about the schedule for closing, Chemet advised the CT of its preference to proceed with purchase of the abutting parcel, which can be conveyed by adjoining boundary relocation (whereas the rodeo grounds parcel requires subdivision approval). The CT and Chemet agreed to defer negotiations for sale of the rodeo grounds parcel until after the closing on the abutting parcel.
5/16/12		The CT and the East Helena School District (EHSD) discussed their request to collect surface soil samples from the Dartman Fields in order to determine how potential costs to remediate soils contamination might impact a proposal to purchase the property.
5/16/12		The CT and Montana Rail Link (MRL) reviewed issues and requirements for alignment of the rail spur to access Slag Pile to be included in property survey exhibit to Chemet Purchase & Sale Agreement.
5/17/12		MRL submitted revised plans for potential alignment of the rail spur to access Slag Pile for based on feedback from the CT.
5/22/12		Chemet provided comments on the revised purchase & sale agreement.
5/22/12		The CT finalized plans with MBAC for a site tour by representatives from the National Renewable Energy Laboratory in connection with the EPA sustainable energy redevelopment grant.
5/22/12		In a meeting with Chemet, the Lewis & Clark County (Planning Department) approved the proposed conveyance of the abutting parcel by adjoining boundary relocation.
5/24/12		The CT and Chemet executed the Certificate of Survey Exemption Affidavit required by Lewis & Clark County for exemption from subdivision approval requirements to allow conveyance of the abutting parcel by adjoining boundary relocation.
5/24/12		The CT and Chemet executed the license agreement to allow Chemet to construct a liquid oxygen storage tank pad on the abutting parcel.
5/25/12		The CT and CTA reviewed plans and strategy for development of Phase III activities (Redevelopment Concept Plans).
5/28/12		The CT submitted a request for beneficiary approval to increase the approved 2012 Administrative Account budget to fund CT costs to work with the East Helena School District (EHSD) on an access agreement to collect the EHSD to sample Dartman field surface soils samples from the Dartman Field to support a revised proposal by EHSD to purchase the property.
5/30/12		The CT and Garlington reviewed outstanding issues related to the purchase & sale contract with Chemet.
5/31/12		Chemet submitted proposed revisions to the purchase & sale contract to the CT and its attorney.
5/31/12		The CT uploaded plans and documents to assist CTA with preparation of phase III redevelopment study deliverables.
5/31/12		The CT and Chemet discussed the status of the Air Liquide demolition work plan and need for submission to EPA.

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		During Period	The CT researched and analyzed existing appraisal data to formulate a purchase price counter-proposal to Chemet for the abutting and expansion parcels.
D. Slag Re-Processing		5/03/12	Metallica advised the CT of the status and requirements for follow-up with Teck regarding a long-term contract for the sale of unfumed slag.
		5/04/12	EH personnel assisted Smith Contracting with decontamination and removal of their equipment from the Site.
		5/07/12	Teck provided the CT with an update on the status of Teck management discussions on a long-term slag sale agreement with Metallica and the CT.
		5/15/12	Metallica notified the CT that Teck had received their permit required to transport and process EH slag in 2012 from the Canadian Ministry for the Environment.
E. City/County Land Transfers		5/16/12	The CT requested Garlington assistance with preparing conveyance documents required to effect the transfer of the fee or easement interests in CT property to the City of East Helena and Lewis & Clark County.
		5/28/12	The CT submitted a request for beneficiary approval to increase the approved 2012 Administrative Account budget in order to fund activities by the CT and its attorneys associated with finalizing the documents to convey fee and easements interests in CT property to the City of East Helena and Lewis & Clark County.
V.	CT Operations & Financial Affairs		
A. Personnel & Office Operations		5/01/12	The EH Zoning Administrator provided comments on the draft temporary use permit application required by the City of East Helena for siting the CT modular office structure near the rodeo grounds.
		5/04/12	In connection with the Alicia Voss lawsuit, the CT's counsel confirmed acceptance of service and plans to move case to federal court.
		5/10/12	The CT finalized the temporary use permit application, project description and plans for the CT modular offices. The CT submitted the application, accompanying documents and fee to the City of EH Zoning Administrator.
		5/10/12	Hydrometrics issued a draft plan for siting the CT modular offices, CH2M Hill office trailer and construction trailers and re-grading the Rodeo Grounds area proposed for locating of all modular facilities.
		5/11/12	The CT and USModular reviewed purchase terms (price, warranty, schedule, etc.) for the modular office structure. The CT issued a notice to proceed with fabrication to USModular.
		5/17/12	CT personnel met with US Modular to inspect modular office area and review options for utility hookups.
		5/18/12	The CT followed up with the City of East Helena Zoning Administrator on the status of temporary use permit application for the CT modular office.
		5/18/12	The CT submitted final revisions to USModular contract for purchase of a new modular structure for the CT administrative offices in EH.
		5/21/12	The CT met with US Modular to resolve modular office configuration, floor plans, site preparation plans and utility hookup requirements.
		5/23/12	Garlington submitted a budget to the CT for litigation and defense in connection with Alicia Voss lawsuit.

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		5/24/12	In response to a request from the EH Zoning Administrator, the CT submitted a revised site plan for the CT modular office temporary permit application.
		5/29/12	The CT and Gary Burnham agreed to have Burnham remove several abandoned structures from the rodeo grounds (the Hydrometrics personal decontamination trailer and sheds) to clear area for leveling required to site the CT modular offices.
		5/29/12	The CT submitted the litigation defense budget prepared by Garlington for review and approval to EPA for the Alicia Voss lawsuit. The CT also advised EPA of a proposed settlement offer from counsel for Alicia Voss.
		5/29/12	CT personnel participated in the weekly EH staff meeting.
		5/31/12	The CT provided comments to the EH Zoning Administrator on the materials to be submitted to the EH City Council for their consideration and vote on the CT's request for a temporary use permit for the CT modular office.
		During Period	The CT continued researching specifications, costs and delivery schedule for purchase of a new or used modular structure for the CT administrative offices in EH.
		During Period	The CT and Hydrometrics prepared plans for layout and site grading requirements to locate CT modular offices and construction trailers. Hydrometrics began soliciting bids from local contractors to grade and prepare site for modular offices and trailers.
		During Period	The CT and outside counsel followed up on process service and estimated defense costs in connection with the Alicia Voss lawsuit.
B. Financial Affairs		5/03/12	The CT authorized issuance of a debit card to EH personnel to handle short lead-time purchases of materials and supplies and rental of equipment for Site activities.
		5/29/12	The CT submitted a request for authorization to increase the approved 2012 EH Cleanup Account budget for Level 2 Cost Center II.P (Communications & Community Relations) to fund the costs to retain the services of community involvement specialists from CDMSmith and other community relations activities.
		During Period	The CT continued to evaluate and review PO's for CH2MHill and SP4C continued development of CT project controls systems.
		During Period	SP4C continued development of CT project controls systems during the reporting period.
		During Period	The CT and CH2M Hill held a number of meetings and discussions to review weekly reporting requirements, CH2M Hill purchase orders and outstanding CH2M Hill invoices.
		During Period	The CT and CH2M Hill held a number of meetings and discussions to review outstanding purchase orders.
VI. Upcoming Activities			
		6/04/12	Conference call with CH2M Hill, EPA and the CT to review the revised 2012 IMWP
		6/05/12	Routine weekly EH staff meeting
		6/05/12	EH City Council vote on CT temporary use permit application and regularly scheduled EH City Council meeting.
		6/05/12	Meeting with State MDT, EPA, CH2M Hill and the CT to IM plans in rights-of-way under MDT jurisdiction.

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	6/07/12	Meeting with WQPD to review 2012 FSAP and GW model was cancelled at request of WQPD.
	6/07/12	Routine weekly meeting with CT and CH2M Hill.
	6/18/12	Meeting with Mayor of East Helena, EH Attorney, CT and EPA to review water line relocation and road abandonment request.
	6/19/12	Regularly scheduled EH City Council meeting.
	6/20/12	EHECTIC meeting.
	6/20/12	Public meeting and open house to review 2012 IM WP at East Valley Fire Department.
	6/21/12	Monthly EH beneficiaries meeting.
	7/09/12	Tentative meeting in Denver with EPA, Treasury Partners and the CT.
	8/09/12	Targeted date for submittal of Joint Permit Application #1.
	8/15/12	Targeted date for delivery of CT modular office structure.
	10/01/12	Targeted date for issuance of a Notice to Proceed with Phase I demolition activities.
VII.	Outstanding Items and Issues	
	NA	Beneficiary feedback on the Phase II RFI draft report.
	NA	CT follow-up on all agricultural leases.
	NA	Beneficiary comments on draft 2012 IM Work Plan.
	NA	CT and Chemet follow-up on P&S agreement.
	NA	Beneficiary response to CT recommendation on project specific insurance proposal.
	NA	EPA feedback on CH2M Hill contract options for IM construction activities.
	NA	CT follow-up on temporary use permit application to City of East Helena for modular offices.
	NA	Additional information from EPA/USDA on results of soil sampling and bioavailability studies.
	NA	CT follow-up with Burnham on water rights and new POD.
	NA	EPA, CT, USFWS, Gradient and CH2M Hill follow-up on perimeter soil sampling (birds and CSMs).
	NA	Beneficiary feedback on CT recommendations for documents/records cost allocations.
	NA	EPA feedback on next steps for revising the CMS work plan.
	NA	CT follow-up on Modular Offices.
	NA	CT follow-up on Smelter Dam EAP.
	NA	CT follow-up on Site-wide HASP.
	NA	CT follow-up with CDMSmith on community relations support.
	NA	CT follow-up on EH Alfresco system.
	NA	Beneficiary approval of CT request for increase in Administrative Account budget to fund EH water rights activities.
	NA	Beneficiary approval of CT request for Administrative Account budget increase to fund conveyance of parcels to City and County and follow-up with EHSD request to sample Dartman fields.

¹ See Attachment I for a list of acronyms used in the weekly progress reports.

Section 3. Describe and estimate the percentage of studies completed.

No projects or studies were completed in May 2012. A complete listing of projects completed in 2012 will be reported in the January 2013 Progress Report.

Section 4. Describe Actions being taken to address problems.

There were no actions required to address problems associated with the Decree.

Section 5. Identify changes in key personnel during the period.

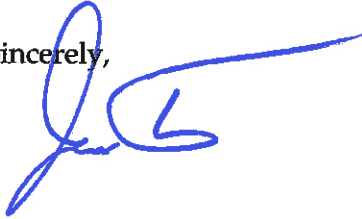
None during the reporting period.

Section 6. Describe the status of financial assurance mechanisms, including whether any changes have occurred, or are expected to occur which might affect them, and the status of efforts to bring such mechanisms back into compliance with the requirements of this Decree.

The Custodial Trust received funds for Environmental Actions earmarked for site clean-up in connection with the ASARCO bankruptcy settlement. The Custodial Trust deposited the funds in a segregated East Helena Clean-up account and is investing and managing the funds in accordance with the provisions of the Settlement Agreement.

Please do not hesitate to contact me with any questions pertaining to this transmittal.

Sincerely,

A handwritten signature in blue ink, appearing to be 'JF', with a long horizontal stroke extending to the right.

Montana Environmental Trust Group, LLC

Not individually but solely in its representative capacity as
Trustee of the Montana Environmental Custodial Trust

By: Greenfield Environmental Trust Group, Inc., Member

By: Jim Ford, Duly Authorized Owner Representative

cc: Denise Kirkpatrick - MDEQ
Randy Breeden - EPA 8
Chuck Figur - EPA 8

CERTIFICATION
PURSUANT TO U.S. v ASARCO INCORPORATED
(CV-98-3-H-CCL, USDC, D. Montana)

"I certify under penalty of law that this document and all attachments, were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine or imprisonment for knowing violations."



Montana Environmental Trust Group, LLC

Not individually but solely in its representative capacity as

Trustee of the Montana Environmental Custodial Trust

By: Greenfield Environmental Trust Group, Inc., Member

By: Jim Ford, Duly Authorized Owner Representative

Attachment I
Montana Environmental Custodial Trust Monthly Progress Report
East Helena (EH) Site Acronyms

Acronyms	
AL	Air Liquide
BOH	Board of Health (Lewis & Clark County)
CD	Consent Decree
Chemet	American Chemet
CLOMR	Conditional Letter of Map Revision
CMS	Corrective Measures Study
CT	Custodial Trust
DMRs	Discharge Monitoring Reports
EAP	Emergency Action Plan
EH	East Helena
EPA	US Environmental Protection Agency
ET	Evapo-Transpiration
FEMA	Federal Emergency Management Agency
GW	Groundwater
HASP	Health & Safety Plan
HEC-RAS	Hydrologic Engineering Centers River Analysis System
IM	Interim Measure
LL	Lower Lake
MBMG	Montana Bureau of Mines & Geology
MDEQ	Montana Department of Environmental Quality
MDOJ	Montana Department of Justice
MDT	Montana Department of Transportation
P&S	Purchase & Sale
PPC	Prickly Pear Creek
SPHC	South Plant Hydraulic Control
UL	Upper Lake
USDOJ	US Department of Justice
USFWS	US Fish & Wildlife Service
WP	Work Plan
WQPD	Water Quality Protection District (Lewis & Clark County)

